



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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February 5, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF RESPIRATORY CARE SERVICES AGREEMENT AMENDMENTS
WITH LEUCADIA SYMPHONY, LTD.**
(1st and 2nd Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 9 to Agreement No. 67626 with Leucadia Symphony, Ltd., for the continued provision of respiratory care services at Martin Luther King, Jr./Charles R. Drew Medical Center, effective March 1, 2004 through August 31, 2004, at an estimated cost of \$1,530,000 for the six-month period, net County cost.
2. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 13 to Agreement No. 71840 with Leucadia Symphony, Ltd., for the continued provision of pediatric respiratory care services at LAC+USC Healthcare Network Women's and Children's Hospital, effective March 1, 2004 through February 28, 2005, at an estimated cost of \$1,388,195 for the twelve-month period, net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving these actions, the Board is authorizing the Director of Health Services, or his designee, to sign extension amendments with Leucadia Symphony, Ltd. (Leucadia), to continue the provision of respiratory care services at Martin Luther King, Jr./Charles R. Drew Medical Center (King/Drew) and pediatric respiratory care services at LAC+USC Healthcare Network Women's and Children's Hospital (WCH).

The six-month extension amendment to Agreement No. 67626 for respiratory care services at King/Drew and the twelve-month extension amendment to Agreement No. 71840 for pediatric respiratory care services at WCH, is being requested as an interim measure to continue these critical services, pending completion of a solicitation process.

The Department of Health Services (DHS or Department) anticipates completion of contract negotiations, meeting with Local 660 representatives to resolve issues related to the proposed agreements, obtaining final County Counsel approval of the proposed agreements, and submission of the final agreement for Board approval for respiratory care services at King/Drew by August 31, 2004, and for pediatric respiratory care services at WCH by February 28, 2005.

The County has guidelines for the timely submission of contracts for Board approval. However, DHS was unable to submit the recommended amendments three weeks in advance of the effective date, as required under the policy, due to protracted negotiations with the vendor.

The County has been contracting out respiratory care services under provisions of County Code 2.121.250 et seq., "Contracting with Private Businesses" (Proposition A), since April 1989.

FISCAL IMPACT/FINANCING:

The estimated cost for the six-month extension for respiratory care services at King/Drew is \$1,530,000, net County cost. The estimated cost for the twelve-month extension for pediatric respiratory care services at WCH is \$1,388,195, net County cost.

Funding for these agreements is included in the Fiscal Year (FY) 2003-04 Adopted Budget and will be requested in FY 2004-05 Proposed Budget. There is no other net County cost associated with this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On June 22, 1993, the Board approved Agreement No. 71840 with Integrated Health Services, Inc. (Integrated), effective on July 1, 1993 through December 31, 1998, for the provision of clinical, emergency, and diagnostic respiratory care services to all pediatric inpatients and outpatients of WCH who have respiratory diseases.

Amendment No. 1 to Agreement No. 71840, was effective on January 1, 1999 through September 30, 1999 to allow DHS to complete a Request for Proposals (RFP) process. Amendment No. 2 to Agreement No. 71840 extended the term of the agreement from October 1, 1999 through March 31, 2000, to allow for the completion of the RFP.

On December 20, 1999, DHS released an RFP; however, in order to provide the Department with sufficient time to complete the solicitation process, the Department requested and the Board approved Amendment Nos. 3 through 7, to extend the term of the agreement, effective April 1, 2000 through September 30, 2001.

Upon completion of an evaluation and contract negotiation process, DHS filed a new proposed agreement on September 13, 2001 for approval on the September 25, 2001 Board agenda. However, the Board continued the proposed new agreement for one month and the existing agreement was extended by one month to October 31, 2001. During the one month extension period, DHS determined that under the proposed agreement several County respiratory care services employees would be affected and, therefore, the Director of Health Services requested that the proposed agreement be referred back to the Department and the existing agreement be extended.

On October 30, 2001, the Board approved Amendment No. 8 to Agreement No. 71840 to extend the term of the agreement through April 30, 2002, to provide DHS with additional time to re-issue the RFP and complete the solicitation process. The Department made the decision to develop and re-issue a combined new RFP for contract respiratory services covering WCH and King/Drew under two separate agreements.

Subsequently, Amendment Nos. 9 through 12 were approved by the Board for the period beginning May 1, 2002 through February 29, 2004. These amendments have been necessary to fully define the scope of work requirements and clarify other solicitation process issues related to Proposition A.

Amendment No. 13 to Agreement No. 71840 will extend the term of the agreement for a 12-month period renewal on a month-to-month basis, effective March 1, 2004 through February 28, 2005, to continue the provision of pediatric respiratory care services at WCH and provide the Department with additional time to complete the solicitation process.

On June 28, 1994, the Board approved Agreement No. 67626 with Integrated, effective on July 1, 1994 through December 31, 1999, for the provision of clinical, emergency, and diagnostic respiratory care services to all inpatients and outpatients of King/Drew who have respiratory diseases.

Amendment Nos. 1 and 2 to Agreement No. 67626 extended the term of the agreement through December 31, 2000, to continue the provision of services and update the RFP document in process to include new pulmonary care requirements. Subsequently, Amendment Nos. 1 through 8 were approved by the Board for the period beginning January 1, 2000 through February 29, 2004, to continue the provision of respiratory care services at King/Drew and provide DHS with additional time to complete the solicitation process.

The Department released an RFP for respiratory care services at WCH and King/Drew on March 25, 2003. By the proposals submission deadline on May 30, 2003, only Leucadia Symphony, Ltd. (Leucadia) had submitted proposals for both medical facilities.

On December 2, 2003, the Board approved a Consent to Assignment of Respiratory Care Services Agreement Nos. 67626 and 71840 from Integrated to Leucadia, retroactive to August 31, 2003.

The existing agreements at WCH and King/Drew are scheduled to expire on February 29, 2004.

Amendment No. 9 to Agreement No. 67626 will extend the term of the agreement for a six-month period, effective March 1, 2004 through August 31, 2004, to continue the provision of respiratory care services at King/Drew and provide the Department with additional time to complete the RFP process and recommend an award of a contract.

The Department anticipates completion of contract negotiations, meeting with Local 660 representatives to resolve issues related to the proposed agreements, and submission of the final agreements for respiratory care services at King/Drew and pediatric respiratory care services at WCH to the Board for approval by August 31, 2004, and February 28, 2005, respectively.

Leucadia fully complies with the requirements of the Living Wage Program (County Code Chapter 2.201) by paying its full-time employees, providing services under the agreement, a living wage. The contractor will continue to accept referrals of County employees from the County's Human Resources staff throughout the term of the agreements.

The amended agreements may be terminated at any time by the County by providing a 30 day advance written notice to the contractor.

The amended agreements include the latest provisions regarding compliance with the jury service program, safely surrendered baby law, and payment by County for services rendered after the expiration/termination of contract.

Contract monitoring functions are performed by King/Drew's and WCH's staff, respectively, and DHS' Audit and Compliance Division.

Attachment A provides additional information.

The amendments (Exhibits I and II) have been approved as to form by County Counsel.

CONTRACTING PROCESS:

County Counsel and the Chief Administrative Office - Risk Management Operations approved the issuance of the RFP, which the Department released on March 25, 2003, combining respiratory care services at both medical facilities. The Department advertised the RFP on the Office of Small Business' Countywide Web Site and in local newspapers in the week of March 24, 2003.

Although, representatives from three respiratory care providers attended the proposers' conference, only Leucadia submitted proposals for King/Drew and WCH.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The recommended Amendments will continue the provision of respiratory care services at the current service and payment levels pending completion of the Department's solicitation process. The Department anticipates completion of contract negotiations, meeting with Local 660 representatives to resolve issues related to the proposed agreements, and submission of the final agreements for respiratory care services at King/Drew and pediatric respiratory care services at WCH to the Board for approval by August 31, 2004, and February 28, 2005, respectively.

The Honorable Board of Supervisors
February 5, 2004
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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite".

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:dz

Attachments

- c: Chief Administrative Officer
- County Counsel
- Executive Officer, Board of Supervisors
- Auditor Controller

BLETC3134.DZ

SUMMARY OF AGREEMENT AMENDMENTS

1. TYPE OF SERVICE:

Respiratory Care Services at King/Drew (King/Drew) Medical Center and LAC+USC Healthcare Network's Women's and Children's Hospital (WCH).

2. AGENCY ADDRESS AND CONTACT PERSON:

Leucadia Symphony, Ltd.
Symphony Respiratory Services Division
27853 Twilight Court
Murrieta, California 92563
Attention: Ken Wieck, Regional V.P.
Telephone: (909) 461-1864 / Facsimile (FAX): (909) 461-1874

3. TERM:

Amendment No. 9 will extend the term of Agreement No. 67626 for a six-month period, effective March 1, 2004 through August 31, 2004. Amendment No. 13 will extend the term of Agreement No. 71840 for a 12-month period on a month-to-month basis, effective March 1, 2004 through February 28, 2005.

4. FINANCIAL INFORMATION:

The estimated expenditures over the six-month period under Agreement No. 67626 will be \$1,530,000. The estimated expenditures over the twelve-month period under Agreement No. 71840 will be \$1,388,195

5. PROGRAM INFORMATION:

The two agreement amendments will allow for the continuation of the provision of respiratory care services at King/Drew and pediatric respiratory care services at WCH.

6. ACCOUNTABLE FOR CONTRACT MONITORING:

King/Drew's and WCH's administrative staff, and the Department of Health Services' Audit and Compliance Division are responsible for monitoring the contract program.

7. APPROVALS:

King/Drew Medical Center:	Willie T. May, Acting Chief Executive Officer
LAC+USC Healthcare Network:	Pete Delgado, Chief Executive Officer
Contracts and Grants Division:	Diana Sayler, Interim Chief
County Counsel (approval as to form):	Christina A. Salseda, Deputy County Counsel

EXHIBIT I

Contract No. 67626

RESPIRATORY CARE SERVICES AGREEMENT

AMENDMENT NO. 9

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

LEUCADIA SYMPHONY, LTD.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"RESPIRATORY CARE SERVICES AGREEMENT", dated June 28, 1994, as
amended by Amendment No. 1, dated December 14, 1999, Amendment No.
2, dated June 20, 2000, Amendment No. 3, dated November 14, 2000,
Amendment No. 4, dated June 5, 2001, Amendment No. 5, dated
December 18, 2001, Amendment No. 6, dated August 6, 2002,
Amendment No. 7, dated January 21, 2003, and Amendment No. 8,
dated July 29, 2003, all identified as County Agreement No. 67626
(collectively hereafter "Agreement"); and

WHEREAS, Agreement is slated to expire on February 29, 2004;
and it is the desire of the parties to extend the term of
Agreement, for six months, effective March 1, 2004 through
August 31, 2004; and

WHEREAS, County intends to complete a competitive process for the award of a new contract during the contemplated extension; and

WHEREAS, except as set forth herein, it is the desire of the parties hereto to extend the terms and conditions set forth in the Agreement to apply to and through the term of this Amendment; and

WHEREAS, the Agreement provides that changes to its provisions may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. The term of this Agreement is hereby extended for six months, effective March 1, 2004 through August 31, 2004, unless terminated sooner.

2. To the extent not inconsistent with this Amendment and except as set forth and/or in accordance with the terms herein, the terms and conditions of Paragraphs 1 through 67, inclusive, as set forth in the Agreement, shall continue in full force and effect during the term of this Amendment.

3. That Subparagraph A of Paragraph 1 (TERM) be revised and amended as follows:

"A. The term of this Agreement shall commence on the date first hereinabove written and shall continue in full force and effect through August 31, 2004, unless terminated sooner. Services shall commence on July 1, 1994."

4. During the term of this Amendment, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director of Health Services

LEUCADIA SYMPHONY, LTD.
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
LLOYD W. PELLMAN
County Counsel

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Director, Contracts Administration

AMENDCD3132.DZ
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EXHIBIT II

Contract No. 71840

RESPIRATORY CARE SERVICES AGREEMENT

AMENDMENT NO. 13

THIS AMENDMENT is made and entered into this _____ day
of _____, 2004,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

LEUCADIA SYMPHONY, LTD.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "RESPIRATORY CARE SERVICES AGREEMENT", dated June 22, 1993, as amended by Amendment No. 1, dated November 10, 1998, Amendment No. 2, dated September 14, 1999, Amendment No. 3, dated March 21, 2000, Amendment No. 4, dated June 20, 2000, Amendment No. 5, dated September 19, 2000, Amendment No. 6, dated November 14, 2000, Amendment No. 7, dated February 20, 2001, Amendment No. 8, dated October 30, 2001, Amendment No. 9, dated December 18, 2001, Amendment No. 10, dated August 6, 2002, Amendment No. 11, dated January 21, 2003, and Amendment No. 12, dated July 29, 2003, all identified as County Agreement No. 71840 (collectively hereafter "Agreement"); and

WHEREAS, Agreement is slated to expire on February 29, 2004; and it is the desire of the parties to extend the term of

Agreement, for twelve months, effective March 1, 2004 through February 28, 2005; and

WHEREAS, County intends to complete a competitive process for the award of a new contract during the contemplated extension; and

WHEREAS, except as set forth herein, it is the desire of the parties hereto to extend the terms and conditions set forth in the Agreement to apply to and through the term of this Amendment; and

WHEREAS, the Agreement provides that changes to its provisions may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. The term of this Agreement is hereby extended for twelve months, effective March 1, 2004 through February 28, 2005, unless terminated sooner.

2. To the extent not inconsistent with this Amendment and except as set forth and/or in accordance with the terms herein, the terms and conditions of Paragraphs 1 through 69, inclusive, as set forth in the Agreement, shall continue in full force and effect during the term of this Amendment.

3. That Subparagraph A of Paragraph 1 (TERM) be revised and amended as follows:

"A. The term of this Agreement shall commence on the date first hereinabove written and shall continue in full

force and effect through February 28, 2005, unless terminated sooner. Services shall commence on July 1, 1993."

4. During the term of this Amendment, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in the Agreement.

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director of Health Services

LEUCADIA SYMPHONY, LTD.
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
LLOYD W. PELLMAN
County Counsel

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Director, Contracts Administration

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